

INFORMATION SECURITY CHALLENGES IN THE FINANCIAL SERVICES INDUSTRY

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Until recently the financial services industry has been supported by closed business systems. Consequently, information security activities have adhered to traditional venues which emphasize protecting information assets from internal threats. However, as the landscape of the financial services industry changes, emerging technologies are being deployed to support the shift in the business paradigm. As these technologies are implemented, enterprises are faced with a new set of information security threats.

The financial services industry, like other industries, is using emerging technologies to redefine the way business is conducted and exploit new distribution channels. Business transactions that were once paper based are now conducted electronically. Customers now complete financial transactions by connecting to our business systems via the telephone or the PC. As the migration of our industry to open systems, distributed computing and electronic commerce continues to accelerate, so does the proliferation of new vulnerability points at the point of information access.

All of these factors combined are resulting in a new focus on information security by legal, regulatory and internal audit areas. Why? Because these factors will cause enterprises to contend with a new set of threats that hold the potential to harm systems, information assets and the business by increasing susceptibility to risk, including:

- Data manipulation
- Disclosure of sensitive data
- Destruction of information assets
- Disruption of business

These threats put information security risk management at a crossroads, which might ultimately result in the redefinition of the function within the next five years (Gartner). In the meantime, this new age of information security requires the understanding of senior managers, well-defined business processes and technology to measure and monitor risks.

Mr. Cook will discuss how the rapid deployment of new technologies changes the

information security profile in the financial services industry and the requirements of information security strategies, base-line controls and products that are necessary to mitigate exposure.

Awareness of the importance of information technology security has grown because of publicity given to:

- the Internet
- viruses
- fraud
- computer abuse